

# **STATE OF NEVADA DEPARTMENT OF TAXATION**

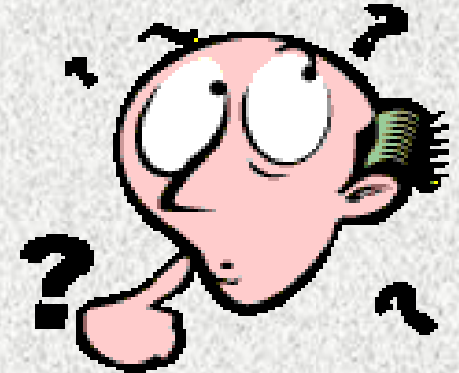
## **ASK THE ADVISORS BASIC TAX ACADEMY**



# **MISSION STATEMENT**

- To provide fair, efficient and effective administration of tax programs for the State of Nevada in accordance with applicable statutes, regulations and policies.
- To serve the taxpayers, state and local government entities...

# Why am I here today?



To Learn About:

Taxes!

Business Registration Requirements

Streamlined Agreement

Payments & Filing Returns

Audit Process

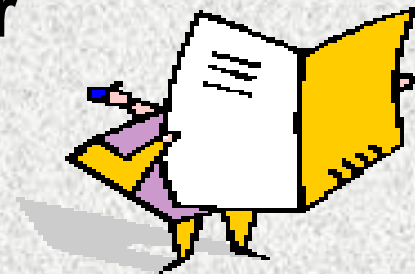
Electronic Filing Requirements

General Questions and Clarifications

# **TAXPAYERS' BILL OF RIGHTS**

**A publication containing the Bill of Rights for Taxpayers is provided:**

- **When you register with the Department**
- **If the business is audited, or**
- **Upon request**





# Licenses & Permits

- The **Nevada Business Registration form** (NBR) and the **Supplemental form** are required to obtain a sales or use tax permit for your business in the State of Nevada
- Retailers pay a \$15.00 **sales tax permit** fee for each business location. This is a one time fee only unless there is a change in ownership or location.
- Taxpayers registering as a **consumer** (no retail sales) are not required to pay a permit fee.

# SALES TAX ~ SECURITY DEPOSITS

Retailers must also deposit with the Department a security deposit as follows:

- ✓ **Quarterly Filers:** **Twice** the estimated average tax due **quarterly**
- ✓ **Monthly Filers:** **Three** times the estimated tax due monthly if the retailer files **monthly**
- ✓ **Annual Filers:** **Four** times the estimated **annual** amount if the retailer files annually.

Calculated tax LESS than \$1,000:

**NO DEPOSIT REQUIRED!**

After three full years of perfect reporting, you may apply for a waiver of the security requirement

NRS 372.510

## NEVADA BUSINESS REGISTRATION

Please see instructions regarding form detail and online registration options.

<b>1</b>	I Am Applying For: * SEND A COPY TO EACH AGENCY		<input type="checkbox"/> Unemployment Insurance (Employment Security Division - ESD)	<input type="checkbox"/> Sales/Use Tax Permit (Department of Taxation)	<input type="checkbox"/> Modified Business Tax (Department of Taxation)	<input type="checkbox"/> Local Business License
<b>2</b>	<input type="checkbox"/> New Business <input type="checkbox"/> Change In Ownership/Business Entity <input type="checkbox"/> Change In Corporate Officers <input type="checkbox"/> Change In Name <input type="checkbox"/> Change In Location <input type="checkbox"/> Change In Mailing Address <input type="checkbox"/> Add Location <input type="checkbox"/> Other					
<b>3</b>	Business Entity Type: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Association <input type="checkbox"/> LLLP <input type="checkbox"/> Limited Liability Partnership <input type="checkbox"/> Government Entity <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other					
<b>3A</b>	If LLC please check Federal tax filing type <input type="checkbox"/> Corporation <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership					
<b>4</b>	Corporate/Entity Name (as shown on State Business License):			Corporate/Entity Telephone ( )	<b>5</b>	Federal Tax Identification Number ( )
<b>6</b>	Corporate/Entity Address: Street Number, Direction (N, S, E, W) and Name Suite, Unit or Apt #			City, State, and Zip Code +4	State of Incorporation or Formation	
<b>7</b>	Nevada Name (DBA):			Business Telephone ( )	Fax ( )	
<b>8</b>	E-mail Address:			Website Address:	<b>9</b>	Nevada Business Identification # (11 digits) <b>NV</b>
<b>10</b>	Mailing Address: Street Number, Direction (N, S, E, W) and Name Suite, Unit or Apt #			City, State, and Zip Code +4		
<b>11</b>	Location(s) of Nevada Business Operations: Street Number, Direction (N, S, E, W) and Name Suite, Unit or Apt #			City, State, and Zip Code +4		
<b>12</b>	Location of Business Records: Street Number, Direction (N, S, E, W) and Name Suite, Unit or Apt #			City, State, and Zip Code +4 Telephone Number: ( )		
<b>13</b>	List All Owners, Partners, Corporate Officers, Managers, Members, etc. (if individual ownership, list only one owner.) Attach Additional Sheets if Needed. ** The Department of Taxation & Employment Security Division are the only agencies to require a SSN.					
	Last, First, MI:		Residence Address (Street)		**SSN	Date of Birth
	Title	Percent Owned	City, State, Zip +4		Residence Telephone	
	Last, First, MI:		Residence Address (Street)		**SSN	Date of Birth
	Title	Percent Owned	City, State, Zip +4		Residence Telephone	
	Last, First, MI:		Residence Address (Street)		**SSN	Date of Birth
	Title	Percent Owned	City, State, Zip +4		Residence Telephone	
	Responsible Local Contact (Last, First, MI & Title):		Residence Address (Street), City, State, Zip +4		**SSN	Residence Telephone
<b>14</b>	Date Business Started in Nevada	Date Nevada Location Opened	Date First Worker Hired in Nevada	Date of First Nevada Payroll	Amount of First Nevada Payroll	Number of Employees
<b>15</b>	PLEASE CHECK ALL THAT APPLY TO YOUR BUSINESS					
	<input type="checkbox"/> Mining <input type="checkbox"/> Service <input type="checkbox"/> Tobacco <input type="checkbox"/> Delivery <input type="checkbox"/> Wholesale <input type="checkbox"/> Medical Marijuana	<input type="checkbox"/> Domestic <input type="checkbox"/> Agriculture <input type="checkbox"/> Manufacturing <input type="checkbox"/> Transportation <input type="checkbox"/> Not for Profit	<input type="checkbox"/> Outside Dining <input type="checkbox"/> Home Occupation <input type="checkbox"/> Retail Sales—New <input type="checkbox"/> Retail Sales—Used <input type="checkbox"/> Live Entertainment	<input type="checkbox"/> Water Appropriation <input type="checkbox"/> Hazardous Material <input type="checkbox"/> Construction/Erection <input type="checkbox"/> Tire Sales <input type="checkbox"/> Environmental Discharge	<input type="checkbox"/> Adult Materials/Activity <input type="checkbox"/> Leased or Leasing Employees <input type="checkbox"/> Leasing (Other than Employees) <input type="checkbox"/> Supply/Use Temporary Workers <input type="checkbox"/> Regulated by Federal/State Permit Number	<input type="checkbox"/> Amusement Machines <input type="checkbox"/> Alcohol <input type="checkbox"/> Gaming <input type="checkbox"/> Health Services <input type="checkbox"/> Other
<b>16</b>	Describe in Detail the Nature of Your Business in Nevada. Include Product Sold, Labor Performed and/or Services Rendered. State the approximate percentage of sales or revenues resulting from each item. Example: Retail sale of major appliances to public 60%; repair 40%.					
<b>17</b>	If You Have Acquired A Nevada Business, Changed Ownership/Business Entity, or Have a New Federal Tax Number, Complete This Section:					
	Date Acquired/Changed:	Acquired/Changed by: <input type="checkbox"/> Purchase <input type="checkbox"/> Lease <input type="checkbox"/> Other		Portion Acquired/Changed: <input type="checkbox"/> In Whole <input type="checkbox"/> In Part		
	Name(s) of Previous Owner(s)		Previous Owner(s) Business Name			
	Address (Street)		City	State	Zip Code +4	
	Enter Your Previous Nevada Sales/Use Tax Permit Number, if applicable:			Enter Previous Owner(s) ESD Account Number:		
<b>18</b>	* Signatures must be that of a responsible party *					
	I declare under penalty of perjury that the information provided is true, correct and complete to the best of my knowledge and belief and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing.					
	*Signature Responsible Party / Original		Print Name And Title		Date	
	*Signature Responsible Party / Original		Print Name And Title		Date	

ORIGINAL SIGNATURES REQUIRED BY AGENCIES – KEEP A COPY FOR YOUR RECORDS

NEVADA DEPARTMENT OF TAXATION  
SUPPLEMENTAL REGISTRATIONPlease print clearly — Use black or blue ink only  
Please mark applicable type(s) (See Instructions)

## For Department Use Only

TID:

Dept. of Taxation Representative accepting application:

☒ Sales/Use Permit ☐ Consumer Use Tax Permit ☐ Certificate of Authority ☐ Live Entertainment Tax

1.	DBA (as shown on the Nevada Business Registration Form):			
2.	Business telephone number:	3.	List STATE of incorporation or formation if applicable:	
<b>FEES AND SECURITY DEPOSIT</b>				
4.	Estimated total monthly receipts:		6.	Estimated total Nevada monthly TAXABLE receipts:
5.	Reporting cycle (check choice of reporting)			
7.	Sales Tax Accounts with over \$10,000 a month in TAXABLE sales must report monthly.			
	Sales/Use Tax	Monthly	Quarterly	Annual
	Use Tax	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Live Entertainment Tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Occupancy	<input type="checkbox"/> 200-7,499	<input type="checkbox"/> 7,500 or More	
8.	Security (See Instructions)			
	<input checked="" type="checkbox"/> Cash	\$ 0	<input type="checkbox"/> Surety #	
9.	Sales Tax Fee (See instructions): 15.00		10.	Total Nevada Business Locations:
<b>11. OTHER INFORMATION</b>				
Name of spouse/relative		Address of spouse/relative		Phone number of spouse/relative
Name of other contact		Address of other contact		Phone number of other contact
Accountant/bookkeeper		Address of accountant/bookkeeper		Phone number of accountant/bookkeeper
Other employment (If applicable):				
Company name:		Company name:		
Name of bank/financial institution – location / account number:				
Business account:				
Personal account:				
<b>FOR DEPARTMENT USE ONLY</b>				
ST/UT No.:		MBT No.:		
Combine Accts: <input type="checkbox"/> Yes <input type="checkbox"/> No		Previous Acct: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Comments:				
<input type="checkbox"/> Cash	<input type="checkbox"/> Check	ABA #:	Bank:	Branch:

\*\*For an introduction to the Department and general information, see our Taxpayer Information Packet Online at [www.tax.nv.gov](http://www.tax.nv.gov) \*\*

SUPPLEMENTAL APPLICATION



# Electronic Filing Requirements

All payments of money for taxes, interest, penalties or other obligations in the aggregate amount to \$10,000 or more MUST be made by electronic transfer

*For more information and to register and pay your taxes, go to:*

<https://www.nevadatax.nv.gov/web>

## Rates effective 7/1/2015

### New Tax Rates by County

Churchill – 7.600%	Clark – 8.100%
Douglas – 7.100%	Elko – 6.850%
Esmeralda – 6.850%	Eureka – 6.850%
Humboldt – 6.850%	Lander – 7.100%
Lincoln – 7.100%	Lyon – 7.100%
Mineral – 6.850%	Nye – 7.600%
Carson City – 7.60%	Pershing – 7.100%
Storey – 7.600%	Washoe – 7.725%
White Pine – 7.725%	

**Nevada's Sales & Use Tax rates vary by county.**

**Taxes are applied in the county the transaction takes place, or the county the delivery is made.**

#### Nevada's Largest Cities

**Las Vegas \* Clark Co. \* 8.1%**

**Henderson \* Clark Co. \* 8.1%**

**Reno \* Washoe Co. \* 7.725%**

**Laughlin \* Clark Co. \* 8.1%**

**Stateline (Tahoe) \* Douglas Co \* 7.1%**

**Carson City \* Carson Co. \* 7.60%**

**Per action taken by the 2015 legislative session, these taxes have been made permanent**

# **SALES TAX RETURN**

- Reporting frequency is **monthly**. The tax is due and payable on or before the last day of the next month.
- If a business has sales of less than \$10,000 per month, then the filing frequency may be **quarterly**.
- If a retailer had sales of less than \$1,500 in the immediate preceding year they may request their filing frequency to be changed to **annually**.
- Retailers are allowed an allowance of 0.25% of the taxes collected for the cost of collecting the tax only if they file their return timely. This is referred to as a collection allowance.

**NRS 372.370**

**NRS 372.380**

# COMBINED SALES & USE TAX RETURN

This form is a universal form that will calculate tax, interest and penalty for the appropriate periods if used on-line.

Note all counties are listed with their current tax rates. Sales shipped to different counties are to be reported on the appropriate county line.

Print Form

**NEVADA DEPARTMENT OF TAXATION**

**COMBINED SALES AND USE TAX RETURN**

TID No:001-TX- [ ] - [ ]

This return is for use by sellers of tangible personal property. If you are not a seller or no longer sell, you must notify the Department of Taxation.

MAIL ORIGINAL TO: STATE OF NEVADA - SALES/USE  
PO BOX 52609  
PHOENIX AZ 85072-2609

For Department Use Only

Return for [ month ] Ending [ 11/30/14 ]  
Due on or before [ 12/31/14 ]  
Date paid [ 12/22/14 ]

If the name or address as shown is incorrect, if the ownership or business location has changed, or if you are out of business, you must notify a Nevada Department of Taxation District Office Immediately.

**IF POSTMARKED AFTER DUE DATE, PENALTY AND INTEREST WILL APPLY**

**A RETURN MUST BE FILED EVEN IF NO SALES AND/OR USE TAX LIABILITY EXISTS**

ENTER AMOUNTS IN COUNTRY OF SALES/USE (OR COUNTRY OF DELIVERY)	SALES TAX					USE TAX		
	TOTAL SALES	EXEMPT SALES	TAXABLE SALES	TAX RATE	CALCULATED TAX	AMOUNT SUBJECT TO USE TAX	TAX RATE	CALCULATED TAX
TAX CALCULATION FORMULA	COLUMN A	- COLUMN B	= COLUMN C	x COLUMN D	= COLUMN E	COLUMN F	x COLUMN G	= COLUMN H
01 CHURCHILL				7.600%			7.600%	
02 CLARK				8.100%			8.100%	
03 DOUGLAS				7.100%			7.100%	
04 ELKO				6.850%			6.850%	
05 ESMERALDA				6.850%			6.850%	
06 EUREKA				6.850%			6.850%	
07 HUMBOLDT				6.850%			6.850%	
08 LANDER				7.100%			7.100%	
09 LINCOLN				7.100%			7.100%	
10 LYON				7.100%			7.100%	
11 MINERAL				6.850%			6.850%	
12 NYE				7.600%			7.600%	
13 CARSON CITY				7.600%			7.600%	
14 PERSHING				7.100%			7.100%	
15 STOREY				7.600%			7.600%	
16 WASHOE				7.725%			7.725%	
17 WHITE PINE				7.725%			7.725%	
TOTALS								

18. TOTAL CALCULATED SALES (18a) AND USE (18b) TAX SUM OF COLUMN E 18a. [ ] SUM OF COLUMN H 18b. [ ]

19. ENTER COLLECTION ALLOWANCE FOR TIMELY FILING (LINE 18a x 0.25% or 0.0025) 19. [ ]

20. NET SALES TAX (LINE 18a - LINE 19) 20. [ ]

21. NET SALES AND USE TAX (LINE 20 + LINE 18b) 21. [ ]

22. PENALTY (LINE 21 x 0%) 22. [ ]

23. INTEREST (See instructions for current rate and calculation) 23. [ ]

24. PLUS LIABILITIES ESTABLISHED BY THE DEPARTMENT 24. [ ]

25. LESS CREDIT(S) APPROVED BY THE DEPARTMENT 25. [ ]

26. TOTAL AMOUNT DUE AND PAYABLE 26. [ ]

27. TOTAL AMOUNT REMITTED WITH RETURN 27. [ ]

I HEREBY CERTIFY THAT THIS RETURN INCLUDING ANY ACCOMPANYING SCHEDULE AND STATEMENTS HAS BEEN EXAMINED BY ME AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IS A TRUE, CORRECT AND COMPLETE RETURN. RETURN MUST BE SIGNED.

ENTER NAME OF PERSON SIGNING RETURN [ ]

SIGNATURE OF TAXPAYER OR AUTHORIZED AGENT [ ]

TITLE [ ] PHONE NUMBER (WITH AREA CODE) [ ]

FEDERAL TAX ID NUMBER (EIN OR SSN) [ ] DATE [ ]

MAKE CHECKS PAYABLE TO:  
NEVADA DEPARTMENT OF TAXATION

Date/Use Tax Return  
TDS-01 (Rev.  
Revised 10/31/2014)



# **SALES TAX EXEMPTIONS**

- **Sales to or by Exempt agencies or Government entities**
- **Out-of-state sales**
- **Sales for resale**
- **Services not associated with a sale of tangible personal property**
- **Installation labor and Repair labor**



# **Exempt Sales – Records to Keep**

- **Shipping documents**
  - > out of state sales
- **Resale Certificates**
  - > Selling to other retailers
- **Exemption letters**
  - > Nevada National Guardsmen
  - > Churches
  - > Educational Organizations
- **United States and Nevada Governments**
  - > Purchase orders
  - > Copy of Governmental credit card

# RESALE CERTIFICATE

I hereby certify that I hold valid seller's permit number 1000000000 pursuant to chapters 372, 374 and 377 of the Nevada Revised Statutes; that I am engaged in the business of selling DRESSES; and that the tangible personal property described in the second paragraph of this certificate, which I purchase from: ABC DRESSES, will be resold by me in the form of tangible personal property. I further certify that in the event any of the property is used for any purpose other than retention, demonstration or display while I am holding it for sale in the regular course of business, it is understood that I am required by chapters 372, 374 and 377 of the Nevada Revised Statutes to report it and pay the tax measured by the purchase price of the property.

Description of the property to be purchased:

Dresses, BELTS

Purchaser XYZ Dresses  
Address 123 Anywhere Dr  
Jane Doe  
Signature of Authorized Purchaser

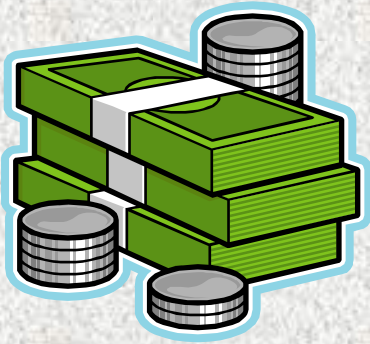
Dated 6-20-11  
at Henderson, Nevada

# 2015 Changes

- *MBT Exempt Wages change to \$50,000 from \$85,000 (SB 483). New rate is 1.475% for General Business. Mines are now taxed at the 2% Financial Institution rate. (effective 7/1/2015).*
- *Employee Leasing Companies can now take the \$50,000 MBT exemption for each of their clients (AB 389)(effective 10/1/2015)*
- *Most taxes that were to sunset now made permanent (SB 483) (effective 7/1/2015)*
- *Live Entertainment Tax (LET) changed to one rate of 9% on admission fee only; most outdoor events now included. Escort Services and disc jockeys included. (Effective 10/1/2015)*
- *Passenger Transportation Tax (PTT)-monthly 3% excise tax on fares of taxicabs, common motor carrier of passengers and transportation network companies.*



# Sales Tax



# Sales/Use Tax References

- Statutes a/k/a **NRS**
- Regulations a/k/a **NAC**
- Publications **Tax Notes**  
**Technical Bulletins**
- Other **FAQs**

*For sales and use tax, references are to Chapters 372, 374, 360 and 360b*

# SALES TAX

Sales tax is due on the sale for retail of Tangible Personal Property which may be:

- Seen
- Weighed
- Measured
- Felt
- Touched *or is*
- In any other manner perceptible to the senses.

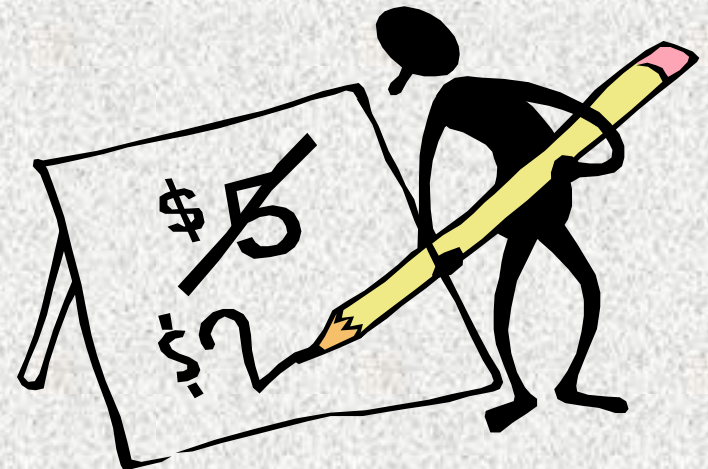


*The sales of all tangible personal property is taxable unless specifically exempted by statute*

# SALES TAX

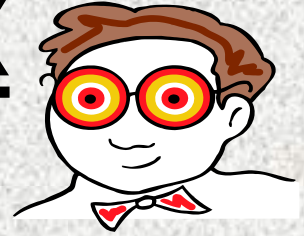
## What's taxable?

- **Gross Receipts**
- **Delivery Charges** (*sometimes*)
- **Not All Discounts**
- **Tax inclusive**
- **Services associated with a sale**





# ADJUSTING SALES TAX



Sales tax included in the price of the sale

- Report the gross sales amount less the amount allocated to tax.

**CALCULATION:** (*Assume Clark County Sale*)

Assume: \$1,000 sale includes tax

Divide the \$1,000 by our tax rate---

$$\text{\$1,000} / 1.081$$

Report in Column A:

$$\text{\$ 925.07}$$

**PROOF:**       $\text{\$925.07} \times 8.1\% =$

$$\text{\$ 74.93}$$

$$\text{\$925.07} + \text{\$74.93} =$$

$$\text{\$1,000.00}$$

# TIPS, TOKENS, GRATUITIES

- Tips given by a customer to a server as a return for services rendered are not subject to tax.

*HOWEVER*

- If the Tip is mandatory (***example: large parties***) It becomes part of the TAXABLE sale



# VENDING MACHINES



- If you own the vending machine:  
Cannot take tax out of selling price  
unless there is a sign indicating  
sales tax is included

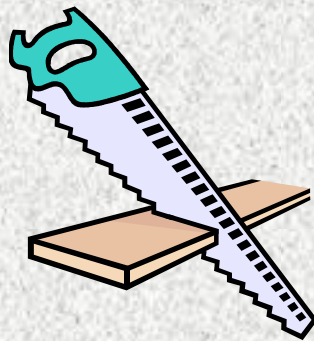
*NAC 372.760 ~ NAC 372.520*

- Must have a permit  
clearly visible on machine

*NAC 372.500(3)*

# FABRICATION LABOR

- Labor used to  
.....change tangible personal property to  
another form and billed in a retail sale.....

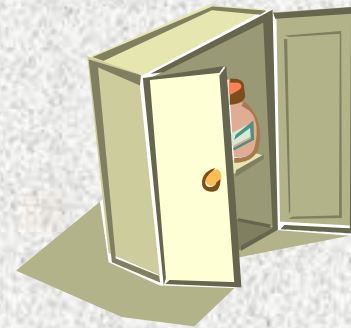
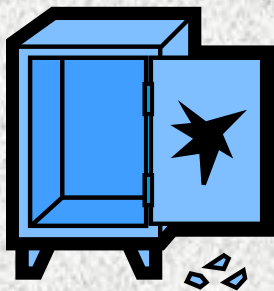


**Taxable!**



# REFURBISH LABOR

- Labor used to refurbish an item of tangible personal property to restore or refit it for the use for which it was originally produced.....



**Not Taxable!**

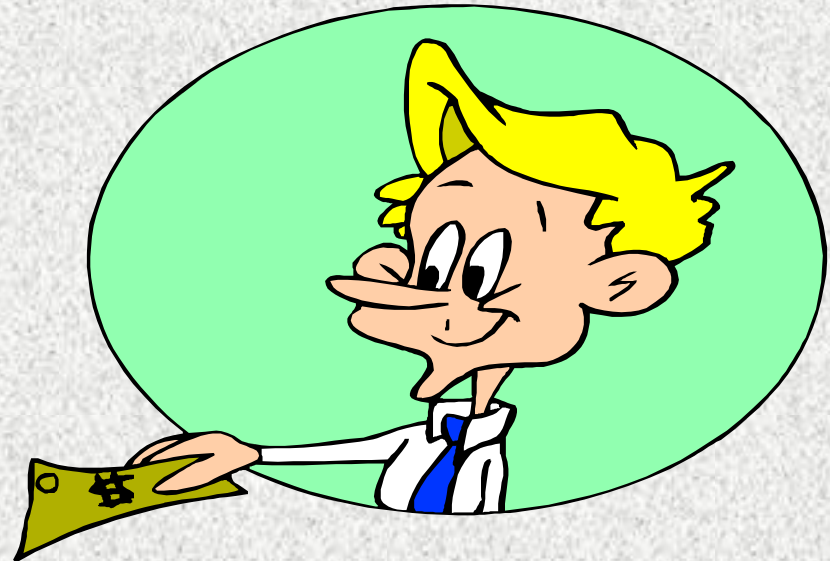
# Over-collected

## Sales Tax

- Return to the customer

OR

- Remit to the Department of Taxation



*NAC 372.765*

# Absorption of Tax

- Taxpayers CANNOT advertise they will pay the sales tax (NRS 372.115)
- Taxpayers CAN state that “sales tax is included....” (NAC 372.760)
- If there is no such statement on the invoice or a sign that states that sales tax is included, then the sale is subject to taxation on the entire amount or portion that is separated out relating to tangible personal property (NAC 372.760)

# **USE TAX**

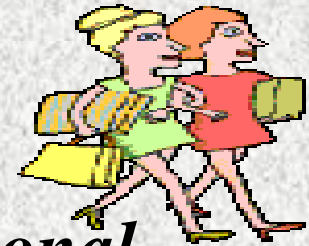
## **What is Use Tax?**

**Use Tax is a mirror of the sales tax, same rate.** The tax is meant to 'even the competitive advantage' that out of state vendors have when selling a product without tax, when a Nevada vendor must charge the tax. The tax is due on all tangible personal property brought into this state, for storage, use or other consumption in this state, and where Nevada sales tax has not been charged.



# USE TAX

Who is required to be registered?



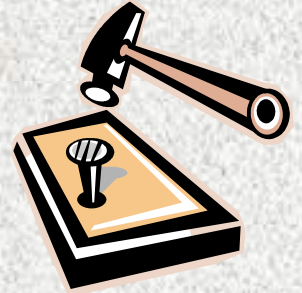
*Any business who purchases tangible personal property without paying Nevada sales tax is required to be registered and report the use tax on the purchase.*

*Any individual who makes a large purchase without paying the tax should contact the Department to pay the tax*



# USE TAX

**What's taxable?**



- **Contractors pay use tax on the building materials they use.**
- **Internet/Catalog Sales**
- **Purchases from out of state**



# CONSUMER USE TAX RETURN

Print Form

## NEVADA DEPARTMENT OF TAXATION CONSUMER USE TAX RETURN

TID No:002-TX-

This return is for use by consumers of tangible personal property not sellers.  
If you are a seller, you must apply for a Sales Tax Permit.

MAIL ORIGINAL TO: STATE OF NEVADA - SALES/USE  
PO BOX 52609  
PHOENIX AZ 85072-2609

For Department Use Only

Return for  Ending   
Due on or before   
Date paid

If the name or address as shown is incorrect, if the ownership or business location has changed, or if you are out of business, you must notify a Nevada Department of Taxation District Office immediately.

IF POSTMARKED AFTER DUE DATE, PENALTY  
AND INTEREST WILL APPLY

A RETURN MUST BE FILED EVEN IF NO TAX LIABILITY EXISTS

ENTER AMOUNTS IN COUNTY OF USE	AMOUNT SUBJECT TO USE TAX	TAX RATE	CALCULATED TAX
TAX CALCULATION FORMULA	COLUMN A	x COLUMN B	= COLUMN C
01 CHURCHILL		7.600%	
02 CLARK		8.100%	
03 DOUGLAS		7.100%	
04 ELKO		6.850%	
05 ESMERALDA		6.850%	
06 EUREKA		6.850%	
07 HUMBOLDT		6.850%	
08 LANDER		7.100%	
09 LINCOLN		7.100%	
10 LYON		7.100%	
11 MINERAL		6.850%	
12 NYE		7.600%	
13 CARSON CITY		7.600%	
14 PERSHING		7.100%	
15 STOREY		7.600%	
16 WASHOE		7.725%	
17 WHITE PINE		7.725%	
TOTAL			

I HEREBY CERTIFY THAT THIS RETURN INCLUDING ANY ACCOMPANYING SCHEDULE AND STATEMENTS HAS BEEN EXAMINED BY ME AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IS A TRUE, CORRECT AND COMPLETE RETURN. **RETURN MUST BE SIGNED.**

ENTER NAME OF PERSON  
SIGNING RETURN

SIGNATURE OF TAXPAYER OR AUTHORIZED AGENT

TITLE

PHONE NUMBER (WITH AREA CODE)

FEDERAL TAX ID NUMBER (EIN OR SSN)

DATE

18. NET USE TAX (SUM OF COLUMN C)

19. PENALTY (LINE 18 x 0%)

20. INTEREST (See Instructions for current rate and calculation)

21. PLUS LIABILITIES ESTABLISHED BY THE DEPARTMENT

22. LESS CREDIT(S) APPROVED BY THE DEPARTMENT

23. TOTAL AMOUNT DUE AND PAYABLE

24. TOTAL AMOUNT REMITTED WITH RETURN

18.

19.

20.

21.

22.

23.

24.

MAKE CHECKS PAYABLE TO:  
NEVADA DEPARTMENT OF TAXATION

This form is a universal form that will calculate tax, interest and penalty for the appropriate periods if used on-line.

# USE TAX

## Computer Software

### Taxable (NAC 372.880):

- Prewritten computer software (NRS 360B.470) (*including updates received via tangible means-C.D.s, etc.*)
- Licensing fees for Standard Prewritten programs

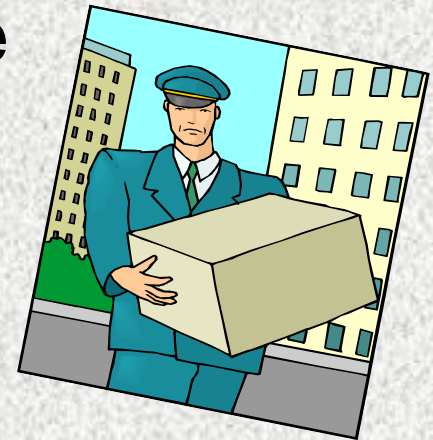
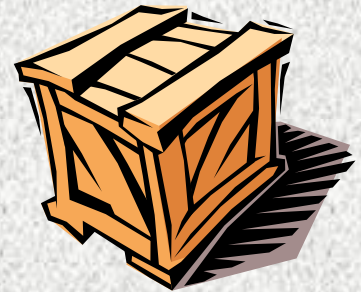
### Not Taxable:

- Custom computer Software (*including updates/upgrades and support services*) (NAC 372.875)
- Custom programming services, separately stated (NAC 372.875)
- Delivered electronically (*or by Load and Leave*) (NRS 360B.420) (*downloaded software, digital books, ringtones, etc.*)



# FREIGHT, TRANSPORTATION OR DELIVERY CHARGES

- Most charges for delivery are subject to sales and use tax
- **However**, charges for transportation, shipping or postage are no longer subject to Sales & Use Tax if they are separately stated on the invoice.
- Charges for handling, packing and crating as part of the delivery charge are taxable whether or not separately stated.



# **USE TAX**

## **What is Use Tax?**

**Use Tax is a mirror of the sales tax, same rate.** The tax is meant to 'even the competitive advantage' that out of state vendors have when selling a product without tax, when a Nevada vendor must charge the tax. The tax is due on all tangible personal property brought into this state, for storage, use or other consumption in this state, and where Nevada sales tax has not been charged.

# MODIFIED BUSINESS TAX

# MODIFIED BUSINESS TAX

General – NRS 363B

Financial Institutions – NRS 363A



# MODIFIED BUSINESS TAX

Who is required to be registered?

Any business who is required to pay a contribution for unemployment insurance

*except.....*

Indian Tribe

Nonprofit organization under 26 U.S.C. 501(c)

Political subdivision

**NRS 363A.030**

**NRS 363B.030**

# MODIFIED BUSINESS TAX

## What to report?

- ❖ *Wages taken from Employment Security Department (ESD) form NUCS 4072*

*NRS 363A.130*

*NRS 363B.110*

## What to deduct?

- ❖ *Deductions for employer-paid health insurance allowed*

*NRS 363A.135*

*NRS 363B.115*

- ❖ *Deductions for wages paid to qualifying veterans for specific periods of time* (AB71)



# MODIFIED BUSINESS TAX

Employer-paid insurance deduction includes:

1. *Self-insured employer: all amounts paid for claims, premiums, stop-loss, if the program is a qualified employee welfare benefit plan*
2. *Premiums for a policy of health insurance for employees*
3. *Payments to a Taft-Hartley trust*

NRS 363A.135

NRS 363B.115

# MODIFIED BUSINESS TAX

Employer-paid insurance deduction DOES NOT include:

1. *Amounts paid by the employee*
2. *Workmen's compensation insurance*
3. *Life insurance*
4. *Disability*

**NRS 363A.135**

**NRS 363B.115**



# MODIFIED BUSINESS TAX

## Categories and Rates (***EFFECTIVE 7/1/2015***)



General Business.....1.475%

.....on wages over \$50,000 in a calendar quarter

*(note: a return still must be filed if wages are under \$50,000 in a quarter)*

*NRS 363B.110*

Financial Institutions and Net Proceeds of  
Mining..... 2.00%

*NRS 363A.130*

*SB 483*

# MODIFIED BUSINESS TAX

[Print Form](#)

**NEVADA DEPARTMENT OF TAXATION**

**MODIFIED BUSINESS TAX RETURN**  
**GENERAL BUSINESS** (Effective July 1, 2015)  
Mail Original To: NEVADA DEPARTMENT OF TAXATION  
PO BOX 52809  
PHOENIX AZ 85072-2809

TID NO:020-TX   
FOR DEPARTMENT USE ONLY  

PERIOD ENDING:

09/30/15

DUE BY:

11/02/15

DATE PAID:

08/6/15

IF POSTMARKED AFTER DUE DATE, PENALTY AND INTEREST WILL APPLY. If the address as shown is incorrect, please make any corrections before mailing the return. Use the space on the left for these corrections.

1. TOTAL GROSS WAGES (INCLUDING TIPS) PAID THIS QUARTER

2a. ENTER DEDUCTION FOR PAID HEALTH INSURANCE/HEALTH BENEFITS PLAN):

2b. ENTER DEDUCTION FOR QUALIFIED VETERANS WAGES (See Instructions)

3. Line 1 minus Line 2a and Line 2b

4. Offset Carried Forward from Previous Quarter

5. Line 3 minus Line 4

6. TAXABLE WAGES (If line 5 is greater than zero enter amount here, if less than zero enter on Line 17)

7. ENTER THRESHOLD OF \$50,000.

8. TAXABLE WAGES (Line 5 minus Line 7, but not less than \$0)

9. CALCULATED TAX (Line 8 x .01475)

10. CREDITS (Overpayments or other approved credits, see instructions)

11. NET TAX DUE (Line 9 minus Line 10)

12. PENALTY (LINE 12 x 0% see instructions)

13. INTEREST (See instructions for current rate and calculation)

14. PREVIOUS DEBITS (Outstanding liabilities)

15. TOTAL AMOUNT DUE (Line 11 + Line 12 + Line 13 + Line 14)

16. AMOUNT PAID

17. CARRY FORWARD (If Line 5 is less than zero (0) enter amount here. This Offset will be carried forward for the next quarter)

1.

2a.

2b.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

16.

17.

**MAKE CHECK PAYABLE TO NEVADA DEPT OF TAXATION - A RETURN MUST BE FILED EVEN IF NO TAX LIABILITY EXISTS**

ENTER NAME OF PERSON  
SIGNING RETURN \_\_\_\_\_

Signature \_\_\_\_\_ Phone \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_ FEIN of Business Named Above \_\_\_\_\_

I hereby certify that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete return. **THIS RETURN MUST BE SIGNED**

To e-mail, save this form to your computer and e-mail the attachment to: [nevadaoltr@tax.state.nv.us](mailto:nevadaoltr@tax.state.nv.us) with the subject of 'Modified Business Tax Return'

TXR-020.04  
MBT-GIB  
Revised 07/14/15

This form is a universal form that will calculate tax, interest and penalty for the appropriate periods if used on-line.

# MODIFIED BUSINESS TAX

## *COMMON ERRORS*

- ▶ Wages not same as reported to Employment Security Department
- ▶ Forgot to take health insurance deduction
- ▶ Took health care deduction for insurance not authorized by NRS 363A or NRS 363B
- ▶ Took health care deduction for portion of premium that the employee paid.
- ▶ Filing multiple returns due to new tiered rate



# **CANCELING YOUR ACCOUNT**

## **Closing your account:**

If you close or sell your business, you must contact the Department. You can cancel your account by

- *contacting us by phone*
- *written correspondence*
- *visiting us at one of our 4 district offices.*



However you choose to contact us, certain information will be required in order to expedite the canceling of your account and refund any security deposit or credits to which you may be entitled.





# LIVE ENTERTAINMENT TAX

(non-gaming)



# LIVE ENTERTAINMENT TAX (Non-Gaming)

**“Live entertainment means any activity provided for pleasure, enjoyment, recreation, relaxation, diversion or other similar purpose by a person or persons who are physically present when providing that activity to a patron or group of patrons who are physically present.”**  
**(NRS 368A.090) Includes:**

- Music/vocals by one or more professional/amateur musicians/vocalists
- Dancing performed by one or more professional/amateur dancers
- Acting/drama provided by one or more professional/amateur actors
- Acrobatics or stunts by performers, professional or amateur
- Animal stunts/performances
- Athletic/sporting events\*
- Comedy or magic acts
- **A disc jockey who presents recorded music**
- **An escort or escort services who receive remuneration for their service**
- Any of the above



\* *Exceptions apply*

# LIVE ENTERTAINMENT TAX (Non-Gaming)



**9% tax rate on indoor or outdoor events applies to:**

- Admission and cover charges only for live entertainment events
- Membership fees, certain service charges and any other charge that is required to be paid in connection with admission to a facility where live entertainment is provided.
- Events sponsored by organizations under IRC 501(c) where 7,500 or more tickets are offered for sale or other distribution to patrons
- NASCAR races if less than two races per year, sanctioned by NASCAR, is held at the track
- Events sponsored by organizations under IRC 501(c) where entertainment is provided by patrons and 15,000 or more tickets are sold or distributed
- Escort Services
- Athletic contest, event or exhibition by a professional team if the professional team based in Nevada is not a participant

*NRS 368A; SB 266*

# LIVE ENTERTAINMENT TAX

## (Non-Gaming)

*Live entertainment excludes the following*

- Rental fees for luxury suites, boxes or similar products at facilities with a maximum occupancy of at least 7,500 persons
- Television, radio, closed circuit or internet broadcasts of live entertainment
- Entertainment provided by patrons\*
- Any boxing event governed by NRS 467
- Live entertainment governed by the Nevada Interscholastic Activities Association if provided by the pupils or faculty
- An athletic event provided by an institution of the Nevada System of Higher Education if students are contestants
- Music performed by musicians who move constantly through audience
- Seating capacity less than 200



\* *Exceptions apply*

NRS 368A.090(2)(a)



# LIVE ENTERTAINMENT TAX (Non-Gaming)

*Live entertainment excludes the following activities*

- An athletic contest, event or exhibition by a professional team if the professional team based in Nevada is a participant
- Entertainment provided at trade shows or in common area of shopping malls; food/product demonstrations or craft show
- Two or more NASCAR-sanctioned racing events at a track in calendar year
- Go-go dancing
- Animal behaviors for education and scientific research
- An activity that is spontaneous or uncompensated and of short duration
- Marketing/promotional activity including dancing/singing, of short duration



\* *Exceptions apply*

# COMMERCE TAX

- On Nevada Gross Revenue over \$4 million
- Report gross revenue derived from the regular course of business
- Rate based on industry NAICS code
- Uses Nevada's fiscal year of July 1 through 6/30
- Annual return, first payment due 8/15/2016

# COMMERCE TAX

- **Businesses subject to Commerce Tax are entitled to a credit toward their MBT liability which is equal to 50% of their Commerce Tax liability, beginning first quarter after the first payment of Commerce Tax is paid.**
- **Credit can only be used in the immediate four calendar quarters of MBT returns, and cannot exceed the tax. Any unused credit may not be carried forward beyond the fourth calendar quarter immediately following the end of the taxable year for which the commerce tax was paid, and no refund is entitled for any unused credit.**

# COMMERCE TAX

- **Example: Retail Trade Business (0.111%)**

	Amount		Amount
Income	\$5,000,000	50% credit	\$1,110 * .50 =
Base	<u>(\$4,000,000)</u>		\$ 555.00
Taxable	\$1,000,000		
Tax @ 0.111%	\$ 1,110		



# TRANSPORTATION TAX

*An excise tax of 3% is imposed on the total fare of a transportation network company for the purpose of providing transportation services. (effective for periods after company has received a permit and received a fare)*

*The fee includes:*

- *All fees, surcharges, technology fees*
- *Convenience charges for use of a credit/debit card*
- *Any other amount that is part of the fare*

*An excise tax of 3% is imposed on the total fare of Common Motor Carriers and Taxicab Companies (effective 8/28/2015)*

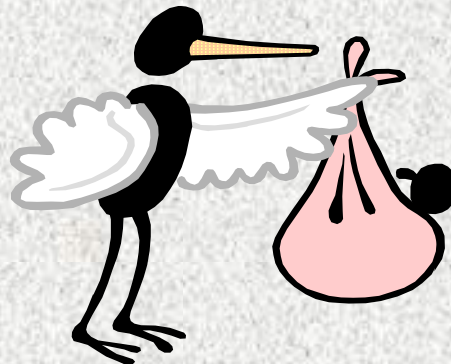
# **Streamlined Tax**

- **Streamlined Tax is an effort to have similar tax laws throughout the country.**
- **Nevada was officially accepted as a full member on 4/1/2008. NRS 360B was added by the 2005 legislative process for this purpose.**
- **Some existing statutes under Chapter 372 of the NRS will be affected, with changes deemed to be retroactive to 2008.**

# Streamlined Tax

- Bundled Transactions

- A retail sale of two or more products in which only some of the products are normally taxable, distinct and identifiable from each other BUT sold together for a single non-itemized/non-negotiable price, then.....
- It's considered BUNDLED and....  
the entire bundle is subject to sales tax!



NAC 372.045

# Streamlined Tax

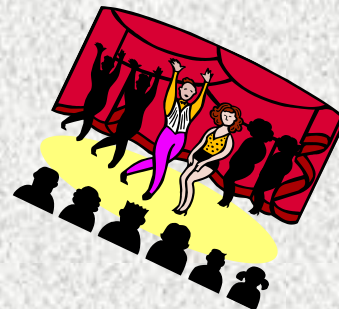
- Bundled Transactions

- IF primary reason for transaction is a sale of a service, then.....

- the transaction is NOT considered bundled AND.....



Use tax is due on the cost of the tangible personal property using the cost of the item to the retailer as the use taxable measure.



# Streamlined Tax

The Bundled Transactions regulation also addresses the taxability of Tangible Personal Property (TPP):

- *Where the TPP includes taxable and nontaxable products and the taxable TPP is 10% or less of sale or purchase price*
- *Where the TPP includes food, drugs, durable medical equipment, mobility enhancing equipment, prosthetic devices or medical supplies and the TPP is 50% or less of total sale or purchase price*



# LEASES

Streamlined Tax changed leases:

- Now sales tax instead of use tax
- Re-rentals ok
- Burden on lessee
- Take no action = MUST tax on rental stream
- Leases between related parties must be at fair rental value

# Website Information

**<http://tax.nv.gov>**

- **Excise Taxes** (*Tire, Liquor, Short-term Lease, tobacco, mining, etc., Transportation Network Company fees*)
- **Legislative Tax Changes** when signed into law
- **FAQ's** (+ *additional powerpoints on other tax issues*)
- **Quick Links** (*Specific tax information, updates*)
- **Links** (*Nevada home page, IRS, ESD, DMV, etc.*)

# ASK THE ADVISOR

Several tax presentations are available on the Department's website.

These presentations are in the form of power-point or PDF files and can be downloaded.

*Go to the **Department website**, click on the following links:*

- *FAQ's*

- *Helpful Tax Powerpoints*

- ✓ *Select one of the presentations*

*more*

# ASK THE ADVISOR

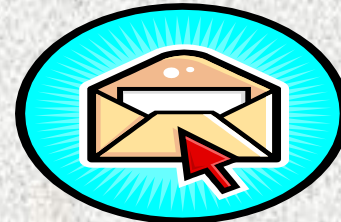
- ❖ *Basic Training*
- ❖ *Repairs & Delivery Charges*
- ❖ *Medical*
- ❖ *Construction*
- ❖ *Modified Business Tax*
- ❖ *Leases*
- ❖ *Other Tobacco Products*
- ❖ *The Audit Process*
- ❖ *Short term leases*
- ❖ *Automotive*

**Tax information on  
specific issues  
which are  
available on the  
Department's  
website.**



# **Written Response**

Most tax issues can be addressed by the Department of Taxation. Please be advised that any responses to inquiries made to the Department are only binding if put in writing, such as Nevada Revised Statutes, Administrative Code, Nevada Tax Notes Nevada Technical Bulletins, or in written correspondence.





# DEPARTMENT OF TAXATION

## Contact Information

Our offices are open Monday-Friday  
8:00 AM – 5:00 PM



Contact our **CALL CENTER** at  
1-866-962-3707

### **Southern Nevada:**

Grant Sawyer Office Building  
555 E. Washington Avenue  
Suite 1300  
Las Vegas, NV 89101

**OR**

2550 Paseo Verde Parkway  
Suite 180  
Henderson, NV 89074

### **Carson City:**

1550 College Parkway  
Suite 115  
Carson City, NV 89706-7937

### **Reno:**

4600 Kietzke Lane  
Building L, Suite 235  
Reno, NV 89502